

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re: W.R. GRACE & CO., <i>et al.</i>, Debtors.	§ § § § § §	Chapter 11 Jointly Administered Case No. 01-01139 (KJC)
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**FEE AUDITOR'S FINAL REPORT REGARDING THIRTY-EIGHTH QUARTERLY
APPLICATION OF BAKER, DONELSON, BEARMAN, CALDWELL & BERKOWITZ,
P.C., FOR COMPENSATION AND FOR REIMBURSEMENT OF EXPENSES AND
APPLICATION FOR FINAL APPROVAL OF ALL FEES AND EXPENSES PREVIOUSLY
AWARDED ON AN INTERIM BASIS AND INCURRED IN THIS CASE**

This is the final report of Warren H. Smith & Associates, P.C., acting in its capacity as fee auditor in the above-captioned bankruptcy proceedings, regarding the Thirty-Eighth Quarterly Application of Baker Donelson Bearman Caldwell & Berkowitz, P.C., for Compensation and for Reimbursement of Expenses and Application for Final Approval of All Fees and Expenses Previously Awarded on an Interim Basis and Incurred in this Case (the "Application").

BACKGROUND

1. Baker Donelson Bearman Caldwell & Berkowitz, P. C. ("Baker Donelson"), was retained as advisor for legislative affairs to the Debtors. In the Application, Baker Donelson seeks approval of fees and expenses as follows: fees totaling \$90,000.00 and no expenses for its services from October 1, 2013 through December 31, 2013 (the "Fifty-First Interim Period"); fees totaling \$30,000.00 and expenses totaling \$78.35 for its services from January 1, 2014, through January 31, 2014 ("January

2014”); and final approval of fees totaling \$3,114,500.00¹ and expenses totaling \$136,418.89² for its services from April 2, 2001 through January 31, 2014 (the “Final Application Period”).

2. In conducting this audit and reaching the conclusions and recommendations contained herein, we reviewed in detail the Application in its entirety, including each of the time and expense entries included in the exhibits to the Application, for compliance with 11 U.S.C. § 330, Local Rule 2016-2 of the Local Rules of the United States Bankruptcy Court for the District of Delaware, Amended Effective February 1, 2014, and the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330, Issued January 30, 1996 (the “U.S. Trustee Guidelines”), as well as for consistency with precedent established in the United States Bankruptcy Court for the District of Delaware, the United States District Court for the District of Delaware, and the Third Circuit Court of Appeals. We emailed an inquiry to Baker Donelson based upon our review, and we received a response from Baker Donelson, portions of which response are quoted herein.

DISCUSSION

Fifty-First Interim Period

¹We note that the total of the fees requested in Baker Donelson’s 33 prior fee applications, plus the compensation sought for the Fifty-First Interim Period, and for January 2014, is \$3,114,500.00. The Court ordered no reductions for the prior periods, which periods are discussed in more detail in paragraph 12, and thus Baker Donelson has deducted no sums from this amount to arrive at the figure it seeks of \$3,114,500.00. We note that the Court has ruled on the First through Fifty-First Interim Periods, but no ruling has been made on the Fifty-Second Interim Period.

²We note that the total of the expenses requested in Baker Donelson’s 33 prior fee applications, plus the expenses sought for the Fifty-First Interim Period, and for January 2014, is \$176,937.45. It appears that Baker Donelson has deducted from this amount all of the reductions ordered by the Court for the prior periods, which periods are discussed in more detail in paragraph 12, to arrive at the figure it seeks of \$136,418.89. We note that the Court has ruled on the First through Fifty-First Interim Periods, but no ruling has been made on the Fifty-Second Interim Period.

3. We note that, pursuant to the terms of Baker Donelson's retention, Baker Donelson is authorized to receive fixed fees of \$30,000.00 per month.³ We further note that Baker Donelson's requested compensation of \$90,000.00 for Legislative Affairs Services does not exceed the amount which it is authorized to receive, and thus we have no objection to Baker Donelson's fees on that basis.

4. We note that Baker Donelson lists 180.00 hours worked on the case during the Application Period, which computes to an effective hourly rate of \$500.00.

5. Thus, we recommend approval of \$90,000.00 in fees for Baker Donelson's services for the Fifty-First Interim Period.

January 2014

6. We note that, pursuant to the terms of Baker Donelson's retention, Baker Donelson is authorized to receive fixed fees of \$30,000.00 per month.⁴ Thus, Baker Donelson's fee request of \$30,000.00 does not exceed the amount to which it is entitled, and we have no objection to Baker Donelson's fees on that basis.

7. We note that Baker Donelson lists 51.00 hours worked on the case during January 2014, which computes to an effective hourly rate of \$588.23.

8. We noted photocopying charges of \$29.80 which Baker Donelson confirmed were billed

³We note that on April 17, 2013, the Court entered an order authorizing the Debtors to increase Baker Donelson's monthly fixed fees for Legislative Affairs Services to \$30,000.00, *nunc pro tunc* to May 1, 2012, and clarifying that Baker Donelson's fees for Legislative Affairs Services are to be evaluated under the standard set forth in Bankruptcy Code section 328(a). The order also provides, however, that the United States Trustee retains the right to review Baker Donelson's fees and expenses pursuant to section 330(a) of the Bankruptcy Code. See Order Approving Baker Donelson's Monthly Fee Retainer, Clarifying that Section 328(A) Provides the Appropriate Standard of Review for the Retainer and Expanding the Scope of Certain Legislative Affairs Services Nunc Pro Tunc to May 1, 2012 (Docket No. 30523), at ¶¶4 and 6.

⁴*Id.*

at the rate of \$0.20 per page. The Local Rules limit photocopying charges to \$0.10 per page,⁵ so we asked Baker Donelson if it would agree to a \$14.90 reduction. Baker Donelson responded: “The proposed reduction is appropriate.” We appreciate Baker Donelson’s response and recommend a reduction of \$14.90 in expenses.

9. Thus, we recommend approval of \$30,000.00 in fees and \$63.45 in expenses (\$78.35 minus \$14.90) for Baker Donelson’s services for January 2014.

Final Application Period

10. We note that Baker Donelson lists 3,953.00 hours worked on the case during the Final Application Period, which computes to an effective hourly rate of \$787.88.

11. We noted that Baker Donelson requested final approval of expenses totaling \$136,418.89, however we calculated Baker Donelson’s final expenses at \$131,487.31, for a difference of \$4,931.58.⁶ We provided our calculations to Baker Donelson, and Baker Donelson responded: “I am fine on your analysis...” We appreciate Baker Donelson’s response and recommend that its final expense request be reduced by \$4,931.58.

Prior Interim Applications

12. We note that we previously filed the following final reports for Baker Donelson’s prior interim applications, which final reports we incorporate by reference herein, and we also note the

⁵Pursuant to Del. Bankr. L.R. 2016-2(e)(iii): “The motion shall state the requested rate for copying charges (which shall not exceed \$.10 per page),....”

⁶The main reason for the discrepancy is that for the Fifth Interim Period, the Court approved expenses of \$10,134.13, not \$15,058.51 as reflected in the Final Application. That accounts for \$4,924.38 of the \$4,931.58 discrepancy. The remaining \$7.20 of the discrepancy is because of reductions of \$1.30 and \$5.90 for the Forty-Third and Forty-Fourth Interim Periods, respectively, to which Baker Donelson agreed, but did not deduct from its final expense request.

following orders that ruled on Baker Donelson's prior interim fee applications:

- 14th Period: Fee Auditor's Final Report Regarding Fee Application of Baker Donelson Bearman Caldwell & Berkowitz for the Fourteenth Interim Period (Docket #7967), filed on or about March 7, 2005, in which we recommended approval of fees totaling \$136,000.00 and expenses totaling \$810.95. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Fourteenth Interim Period, dated March 22, 2005 (Docket #8081).
- 15th Period: Fee Auditor's Combined Final Report Regarding Those Fee Applications with No Fee or Expense Issues for the Fifteenth Interim Period (Docket #8561), filed on or about June 6, 2005, in which we recommended approval of fees totaling \$51,000.00 and expenses totaling \$798.96. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Fifteenth Period, dated June 29, 2005 (Docket #8728).
- 16th Period: Fee Auditor's Combined Final Report Regarding Those Fee Applications with No Fee or Expense Issues for the Sixteenth Interim Period (Docket #9387), filed on or about September 12, 2005, in which we recommended approval of fees totaling \$124,000.00 and expenses totaling \$6,161.11. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Sixteenth Period, dated September 27, 2005 (Docket #9513).
- 17th Period: Fee Auditor's Combined Final Report Regarding Those Fee Applications with No Fee or Expense Issues for the Seventeenth Interim Period (Docket #11168),

filed on or about November 28, 2005, in which we recommended approval of fees totaling \$165,000.00 and expenses totaling \$7,202.85. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Seventeenth Period, dated December 21, 2005 (Docket #11402).

18th Period: Fee Auditor's Final Report Regarding Fee Application of Baker Donelson Bearman Caldwell & Berkowitz for the Eighteenth Interim Period (Docket #12013), filed on or about March 9, 2006, in which we recommended approval of fees totaling \$165,000.00 and expenses totaling \$10,134.13, reflecting our recommended reduction of \$4,924.38 in expenses, as further explained in paragraphs 5, 6 and 7 of that final report. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Eighteenth Period, dated March 27, 2006 (Docket #12121).

19th Period: Fee Auditor's Final Report Regarding Fee Application of Baker Donelson Bearman Caldwell & Berkowitz for the Nineteenth Interim Period (Docket #12517), filed on or about May 25, 2006, in which we recommended approval of fees totaling \$90,000.00 and expenses totaling \$416.21. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Nineteenth Period, dated June 16, 2006 (Docket #12660).

20th Period: Fee Auditor's Final Report Regarding Fee Application of Baker Donelson Bearman Coldwell & Berkowitz for the Twentieth Interim Period (Docket #13181), filed on or about September 8, 2006, in which we recommended

approval of fees totaling \$90,000.00 and expenses totaling \$8,399.94, reflecting our recommended reduction of \$5,806.36 in expenses, as further explained in paragraphs 5 and 6 of that final report. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Twentieth Period, dated September 26, 2006 (Docket #13298).

21st Period: Fee Auditor's Final Report Regarding Fee Application of Baker Donelson Bearman Coldwell & Berkowitz for the Twenty-First Interim Period (Docket #13954), filed on or about December 7, 2006, in which we recommended approval of fees totaling \$90,000.00 and expenses totaling \$14,662.93. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Twenty-First Period, dated December 19, 2006 (Docket #14069).

22nd Period: Fee Auditor's Final Report Regarding Fee Application of Baker Donelson Bearman Caldwell & Berkowitz for the Twenty-Second Interim Period (Docket #14770), filed on or about March 6, 2007, in which we recommended approval of fees totaling \$90,000.00 and expenses totaling \$7,848.55. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Twenty-Second Period, dated May 3, 2007 (Docket #15494).

23rd Period: Fee Auditor's Final Report Regarding Fee Application of Baker Donelson Bearman Caldwell & Berkowitz for the Twenty-Third Interim Period (Docket #16002), filed on or about June 8, 2007, in which we recommended approval of

fees totaling \$90,000.00 and expenses totaling \$13,954.75, reflecting our recommended reductions of \$1,674.95 in expenses, as further explained in paragraphs 6, 7, 8 and 10 of that final report. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Twenty-Third Period, dated June 20, 2007 (Docket #16105).

24th Period: Fee Auditor's Final Report Regarding Fee Application of Baker Donelson Bearman Caldwell & Berkowitz for the Twenty-Fourth Interim Period (Docket #16765), filed on or about September 6, 2007, in which we recommended approval of fees totaling \$90,000.00 and expenses totaling \$453.61. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Twenty-Fourth Period, dated September 25, 2007 (Docket #16916).

25th Period: Fee Auditor's Final Report Regarding Fee Application of Baker Donelson Bearman Caldwell & Berkowitz for the Twenty-Fifth Interim Period (Docket #17526), filed on or about December 3, 2007, in which we recommended approval of fees totaling \$90,000.00 and expenses totaling \$15,396.39, reflecting our recommended reduction of \$1,570.86 in expenses, as further explained in paragraph 6 of that final report. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Twenty-Fifth Period, dated December 13, 2007 (Docket #17629).

26th Period: Fee Auditor's Final Report Regarding Fee Application of Baker Donelson Bearman Caldwell & Berkowitz for the Twenty-Sixth Interim Period (Docket

#18193), filed on or about March 4, 2008, in which we recommended approval of fees totaling \$90,000.00 and expenses totaling \$12,279.49, reflecting our recommended reduction of \$15,714.42 in expenses, as further explained in paragraphs 5, 7 and 8 of that final report. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Twenty-Sixth Period, dated March 12, 2008 (Docket #18270).

27th Period: Fee Auditor's Final Report Regarding Fee Application of Baker Donelson Bearman Caldwell & Berkowitz for the Twenty-Seventh Interim Period (Docket #18742), filed on or about May 19, 2008, in which we recommended approval of fees totaling \$90,000.00 and expenses totaling \$14,828.54, reflecting our recommended reductions of \$15,358.57 in expenses, as further explained in paragraphs 5, 6 and 7 of that final report. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Twenty-Seventh Period, dated June 23, 2008 (Docket #18989).

28th Period: Fee Auditor's Combined Final Report Regarding Those Fee Applications with No Fee or Expense Issues for the Twenty-Ninth Interim Period (Docket #20150), filed on or about November 26, 2008, in which we recommended approval of fees totaling \$69,500.00 and expenses totaling \$153.69. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Twenty-Ninth Period, dated December 17, 2008 (Docket #20283).

29th Period: Fee Auditor's Combined Final Report Regarding Those Fee Applications with

No Fee or Expense Issues for the Twenty-Ninth Interim Period (Docket #20150), filed on or about November 26, 2008, in which we recommended approval of fees totaling \$60,000.00 and expenses totaling \$66.75. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Twenty-Ninth Period, dated December 17, 2008 (Docket #20283).

30th Period: Fee Auditor's Combined Final Report Regarding Those Fee Applications with No Fee or Expense Issues for the Thirtieth Interim Period (Docket #21063), filed on or about March 21, 2009, in which we recommended approval of fees totaling \$60,000.00 and expenses totaling \$82.72. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Thirtieth Period, dated April 2, 2009 (Docket #21173).

31st Period: Fee Auditor's Combined Final Report Regarding Those Fee Applications with De Minimis or No Fee and Expense Issues for the Thirty-Second Interim Period (Docket #23240), filed on or about September 15, 2009, in which we recommended approval of fees totaling \$60,000.00 and expenses totaling \$315.76. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Thirty-Second Period, dated September 28, 2009 (Docket #23352).

32nd Period: Fee Auditor's Combined Final Report Regarding Those Fee Applications with De Minimis or No Fee and Expense Issues for the Thirty-Second Interim Period (Docket #23240), filed on or about September 15, 2009, in which we recommended approval of fees totaling \$60,000.00 and expenses totaling \$8.61.

These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Thirty-Second Period, dated September 28, 2009 (Docket #23352).

33rd Period: Fee Auditor's Amended Combined Final Report Regarding Those Fee Applications with *De Minimis* or No Fee or Expense Issues for the Thirty-Fourth Interim Period (Docket #24438), filed on or about March 11, 2010, in which we recommended approval of fees totaling \$60,000.00 and expenses totaling \$34.44. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Thirty-Fourth Period, dated March 19, 2010 (Docket #24470).

34th Period: Fee Auditor's Amended Combined Final Report Regarding Those Fee Applications with *De Minimis* or No Fee or Expense Issues for the Thirty-Fourth Interim Period (Docket #24438), filed on or about March 11, 2010, in which we recommended approval of fees totaling \$60,000.00 and expenses totaling \$14.23. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Thirty-Fourth Period, dated March 19, 2010 (Docket #24470).

35th Periods: Fee Auditor's Combined Final Report Regarding Those Fee Applications with No Fee or Expense Issues for the Thirty-Seventh Interim Period (Docket #25850), filed on or about December 2, 2010, in which we recommended approval of fees totaling \$60,000.00 and expenses totaling \$46.96. These recommendations were adopted in the Order Approving Quarterly Fee

Applications for the Thirty-Seventh Period, dated December 10, 2010 (Docket #25905).

36th Periods: Fee Auditor's Combined Final Report Regarding Those Fee Applications with No Fee or Expense Issues for the Thirty-Seventh Interim Period (Docket #25850), filed on or about December 2, 2010, in which we recommended approval of fees totaling \$60,000.00 and expenses totaling \$27.16. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Thirty-Seventh Period, dated December 10, 2010 (Docket #25905).

37th Periods: Fee Auditor's Combined Final Report Regarding Those Fee Applications with No Fee or Expense Issues for the Thirty-Seventh Interim Period (Docket #25850), filed on or about December 2, 2010, in which we recommended approval of fees totaling \$60,000.00. This recommendation was adopted in the Order Approving Quarterly Fee Applications for the Thirty-Seventh Period, dated December 10, 2010 (Docket #25905).

38th Period: Fee Auditor's Combined Final Report Regarding Those Fee Applications with No Fee or Expense Issues for the Thirty-Eighth Interim Period (Docket #26519), filed on or about March 9, 2011, in which we recommended approval of fees totaling \$60,000.00 and expenses totaling \$111.90. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Thirty-Eighth Period, dated March 25, 2011 (Docket #26627).

39th Period: Fee Auditor's Amended Combined Final Report Regarding Those Fee

Applications with *De Minimis* or No Fee or Expense Issues for the Forty-First Interim Period (Docket #28070), filed on or about December 2, 2011, in which we recommended approval of fees totaling \$60,000.00 and expenses totaling \$23.24. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Forty-First Period, dated December 14, 2011 (Docket #28150).

40th Period: Fee Auditor's Amended Combined Final Report Regarding Those Fee Applications with *De Minimis* or No Fee or Expense Issues for the Forty-First Interim Period (Docket #28070), filed on or about December 2, 2011, in which we recommended approval of fees totaling \$57,000.00 and expenses totaling \$13.39. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Forty-First Period, dated December 14, 2011 (Docket #28150).

41st Period: Fee Auditor's Amended Combined Final Report Regarding Those Fee Applications with *De Minimis* or No Fee or Expense Issues for the Forty-First Interim Period (Docket #28070), filed on or about December 2, 2011, in which we recommended approval of fees totaling \$57,000.00 and expenses totaling \$29.20. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Forty-First Period, dated December 14, 2011 (Docket #28150).

42nd Period: Fee Auditor's Combined Final Report Regarding Those Fee Applications with *De Minimis* or No Fee or Expense Issues for the Forty-Second Interim Period

(Docket #28548), filed on or about February 20, 2012, in which we recommended approval of fees totaling \$57,000.00 and expenses totaling \$9.68.

These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Forty-Second Period, dated March 23, 2012 (Docket #28705).

43rd Period: Fee Auditor's Combined Final Report Regarding The Thirtieth and Thirty-First Quarterly Fee Applications of Baker, Donelson, Bearman, Caldwell & Berkowitz, P.C. (Docket #30019), filed on or about December 7, 2012, in which we recommended approval of fees totaling \$22,000.00 and expenses totaling \$12.71, reflecting our recommended reductions of \$35,000.00 in fees and \$1.30 in expenses, as further explained in paragraphs 6 and 7 of that final report. The Court awarded \$57,000.00 in fees in the Order Approving Baker Donelson's Monthly Fee Retainer, Clarifying that Section 328(A) Provides the Appropriate Standard of Review for the Retainer and Expanding the Scope of Certain Legislative Affairs Services Nunc Pro Tunc to May 1, 2012, dated April 17, 2013 (Docket #30523).

44th Period: Fee Auditor's Combined Final Report Regarding The Thirtieth and Thirty-First Quarterly Fee Applications of Baker, Donelson, Bearman, Caldwell & Berkowitz, P.C. (Docket #30019), filed on or about December 7, 2012, in which we recommended approval of fees totaling \$5,000.00 and expenses totaling \$5.90, reflecting our recommended reductions of \$52,000.00 in fees and \$5.90 in expenses, as further explained in paragraphs 6 and 7 of that final report. The

Court awarded \$57,000.00 in fees in the Order Approving Baker Donelson's Monthly Fee Retainer, Clarifying that Section 328(A) Provides the Appropriate Standard of Review for the Retainer and Expanding the Scope of Certain Legislative Affairs Services Nunc Pro Tunc to May 1, 2012, dated April 17, 2013 (Docket #30523).

45th Period: Fee Auditor's Final Report Regarding the Thirty-Second Quarterly Fee Application of Baker Donelson Bearman Caldwell & Berkowitz, P.C. (Docket #30530), filed on or about April 18, 2013, in which we recommended approval of \$79,000.00 in fees and \$16.00 in expenses. There does not appear to be any order which approves this Application.

46th Period: Fee Auditor's Final Report Regarding The Thirty-Third Quarterly Fee Application of Baker, Donelson, Bearman, Caldwell & Berkowitz, P.C., for the Period of July 1, 2012, through September 30, 2012 (Docket #31325), filed on or about November 11, 2013, in which we recommended approval of fees totaling \$90,000.00 and expenses totaling \$13,921.10, reflecting our recommended reduction of \$393.40 in expenses, as further explained in paragraphs 5 and 7 of that final report. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Forty-Ninth Period, dated December 17, 2013 (Docket #31482).

47th Period: Fee Auditor's Combined Final Report Regarding Those Fee Applications with De Minimis or No Fee or Expense Issues for the Forty-Ninth Interim Period (Docket #31404), filed on or about November 26, 2013, in which we

recommended approval of fees totaling \$90,000.00 and expenses totaling \$23.61. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Forty-Ninth Period, dated December 17, 2013 (Docket #31482).

48th Period: Fee Auditor's Combined Final Report Regarding Those Fee Applications with De Minimis or No Fee or Expense Issues for the Forty-Ninth Interim Period (Docket #31404), filed on or about November 26, 2013, in which we recommended approval of fees totaling \$90,000.00 and expenses totaling \$1,039.79. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Forty-Ninth Period, dated December 17, 2013 (Docket #31482).

49th Period: Fee Auditor's Combined Final Report Regarding Those Fee Applications with De Minimis or No Fee or Expense Issues for the Forty-Ninth Interim Period (Docket #31404), filed on or about November 26, 2013, in which we recommended approval of fees totaling \$90,000.00 and expenses totaling \$2,051.87. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Forty-Ninth Period, dated December 17, 2013 (Docket #31482).

50th Period: Fee Auditor's Combined Final Report Regarding Those Fee Applications with De Minimis or No Fee or Expense Issues for the Fiftieth Interim Period (Docket #31838), filed on or about March 11, 2014, in which we recommended approval of fees totaling \$90,000.00 and expenses totaling \$51.84. These

recommendations were adopted in the Order Approving Quarterly Fee Applications for the Fiftieth Period, dated March 31, 2014 (Docket #31963).

13. We have reviewed the final reports and orders allowing fees and expenses for the prior interim periods, and we do not believe there is any reason to change any of the amounts awarded for the prior interim periods, except for the following:

43rd Period: There is no mention of Baker Donelson's expenses in the order. As noted in our final report for that period, we recommend approval of \$12.71⁷ in expenses.

44th Period: There is no mention of Baker Donelson's expenses in the order. As noted in our final report for that period, we recommend approval of \$5.90⁸ in expenses.

45th Period: Baker Donelson's fees of \$79,000.00 and expenses of \$16.00 were not included in any order. As noted in our final report for that period, we recommend approval of \$79,000.00 in fees and \$16.00 in expenses.

We have included the foregoing corrections in our calculations of Baker Donelson's final fees and expenses. Our calculations of Baker Donelson's final fees and expenses are based on the corrected figures, as is our expense recommendation in paragraph 10. Thus, it is not necessary to make any further adjustments to Baker Donelson's final fee and expense request.

CONCLUSION

⁷Expenses of \$14.01 less an agreed reduction of \$1.30 for photocopying charges which were billed at \$0.20 per page, rather than \$0.10 per page, as allowed by the Local Rules.

⁸Expenses of \$11.80 less an agreed reduction of \$5.90 for photocopying charges which were billed at \$0.20 per page, rather than \$0.10 per page, as allowed by the Local Rules

14. Thus, we recommend final approval of \$3,114,500.00⁹ in fees and \$131,472.41 in expenses (\$136,418.89¹⁰ minus \$4,946.48)¹¹ for Baker Donelson's services for the Final Application Period.

Respectfully submitted,

WARREN H. SMITH & ASSOCIATES, P.C.



By: _____
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FEE AUDITOR

⁹We note that the total of the fees requested in Baker Donelson's 33 prior fee applications, plus the compensation sought for the Fifty-First Interim Period, and for January 2014, is \$3,114,500.00. The Court ordered no reductions for the prior periods, which periods are discussed in more detail in paragraph 12, and thus Baker Donelson has deducted no sums from this amount to arrive at the figure it seeks of \$3,114,500.00. We note that the Court has ruled on the First through Fifty-First Interim Periods, but no ruling has been made on the Fifty-Second Interim Period.

¹⁰We note that the total of the expenses requested in Baker Donelson's 33 prior fee applications, plus the expenses sought for the Fifty-First Interim Period, and for January 2014, is \$176,937.45. It appears that Baker Donelson has deducted from this amount all of the reductions ordered by the Court for the prior periods, which periods are discussed in more detail in paragraph 12, to arrive at the figure it seeks of \$136,418.89. We note that the Court has ruled on the First through Fifty-First Interim Periods, but no ruling has been made on the Fifty-Second Interim Period.

¹¹This \$4,946.48 reduction includes our recommended reduction of \$14.90 in expenses for January 2014 (*see* paragraph 8), as well as our recommended reduction of \$4,931.58 to correct the error in Baker Donelson's final expense request (*see* paragraph 11).

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document has been served by First Class United States mail to the attached service list on this 23rd day of July, 2014.

A handwritten signature in blue ink, appearing to read "W. H. Smith", is positioned above a horizontal line.

Warren H. Smith

SERVICE LIST

Notice Parties

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